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FM AMEMBASSY TASHKENT
TO RUEHC/SECSTATE WASHDC 0935
INFO ALL SOUTH AND CENTRAL ASIA COLLECTIVE
NATO EU COLLECTIVE
RHMFIS/CDR USTRANSCOM COMMAND SURGEON SCOTT AFB IL
RHMFIUU/CDR USCENTCOM MACDILL AFB FL
RUCPDOC/USDOC WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHML/AMEMBASSY MANILA 0001
RUEHNT/AMEMBASSY TASHKENT
RUEKJCS/SECDEF WASHINGTON DC

UNCLAS TASHKENT 000825

SIPDIS
STATE FOR SCA (DEUTSCH AND KROL)
MANILA FOR US DIRECTOR AT ASIAN DEVELOPMENT BANK
USAID FOR ACTING ADMINISTRATOR FULGHAM
FROM AMBASSADOR NORLAND

E.O. 12958: N/A

TAGS: ECON PREL PGOV PHUM ELTN UZ

SUBJECT: Asian Development Bank Eager to Move on Afghan Rail Line to Mazar-e-sharif

REF: TASHKENT 717

SENSITIVE BUT UNCLASSIFIED - PROTECT ACCORDINGLY

¶1. (SBU) On the margins of a May 22 economic conference in Tashkent devoted to President Karimov's approach to the global economic crisis, attended by numerous representatives of international financial institutions, the Asian Development Bank's (ADB) Director General for Central and West Asia, Juan Miranda, pulled Ambassador aside to raise the issue of extending the rail line which currently ends in Hairaton (just across the Uzbek border in Afghanistan) to Mazar-e-sharif, 75 kilometers further into Afghanistan and on the Ring Road. Miranda, who had just met with Uzbek First Deputy Prime Minister Rustam Azimov, said ADB strongly supports extending the rail line and is rushing "full speed ahead" to complete its feasibility study by October. He expects the price tag for the project to come in at around USD 80 million (less than the USD 120 million that one Uzbek Railways official estimated the project might cost). He says the Uzbeks could build it, but he would want American supervision. Regardless of who might get the contract, he urged "lots of phone calls" to the ADB board of governors to keep this project moving forward.

Comment

¶2. (SBU) As noted reftel, the rail extension to Mazar offers a potentially transformational shift in regional transportation infrastructure that could advance our goals in Afghanistan as well as in linking Central and South Asia. The ADB supports the project, as do the Uzbeks, who want the contract to build the railroad but also hope to benefit economically once it is in place. In a brief conversation on May 22, Deputy PM Azimov made clear to the Ambassador that he would like the ADB to support this project (it was he who put Miranda on to the Ambassador earlier in the day). With U.S. capitalization of the ADB expected to double, and USAID resources for Afghanistan also increasing significantly, this project appears from our vantage point to offer a tangible and realistic objective in support of our goals in the region. We strongly encourage ADB and USAID support.

NORLAND